

revenue in 2003. Sales, general and administrative expenses as a percentage of revenues were significantly impacted by the CWA acquisition. The amounts as percentages of revenue by sequential quarter throughout 2004 were 30%, 29%, 26% and 22%. This progressive improvement reflects the realization of synergy activities and a disciplined approach to removing costs from the acquired business. The percentage decrease from prior year also reflects the increased revenue base without adding a proportionate amount of costs.

Integration Costs. Integration costs were \$27.7 million during the twelve months ended December 31, 2004. Included in these costs were \$3.0 million for consulting services related to integration; \$6.2 million for payroll costs and stay bonuses; \$7.5 million for specific contract costs enumerated in the CWA asset purchase agreement; and \$9.9 million for PoP consolidation and network restructuring. We expect these costs to be in a range of \$2-7 million in 2005. We are focused on completing the integration of SAVVIS and CWA assets and operations during the first half of 2005.

Depreciation, Amortization and Accretion. Depreciation, amortization, and accretion expense was \$72.1 million and \$55.3 million for the twelve months ended December 31, 2004, and December 31, 2003, respectively. Subsequent to the CWA acquisition, accretion expenses relating to aging of the discounted present value of various liabilities including adjustments for long-term fixed price contracts are included in this line item. Consistent with historical presentation, the amortization of intangibles and depreciation of long-lived assets are reflected here. The acquisition significantly increased the depreciable asset and intangible base as much of the value was assigned to IRUs, communications equipment, and leasehold improvements. Management expects depreciation, amortization, and accretion to be approximately \$20 million per quarter for 2005, excluding the impact of additional capital expenditures.

Non-Cash Equity-Based Compensation. Non-cash equity-based compensation amounted to \$11.1 million for the twelve months ended December 31, 2004 versus \$14.0 million in 2003. The decrease represents a decline in deferred compensation as the majority of the required compensation had been recognized by the end of 2003, offset by the increase in compensation expense recognized from the vesting of two Constellation Ventures performance warrant tranches.

Net Interest Expense and Other. Net interest expense and other for the twelve months ended December 31, 2004 was \$52.3 million, an increase of \$44.9 million from 2003. The increase is a result of the Subordinated Notes issued during the first quarter of 2004 and the interest associated with the Du Pont Fabros capital leases. Management expects interest expense will be approximately \$15 million per quarter in 2005, under our current financing arrangements.

Net Loss. The net loss for the twelve months ended December 31, 2004, was \$148.8 million, a \$54.8 million increase from the net loss for the twelve months ended December 31, 2003, of \$94.0 million. Net loss was primarily driven by \$27.7 million in integration expenses, a \$44.9 million increase in net interest expense and other, and a \$16.7 million increase in depreciation, amortization and accretion expense. Net loss in 2003 was impacted by an \$8.1 million loss on the sale of a data center and a \$7.9 million restructuring charge.



# The Year Ended December 31, 2003 as Compared to the Year Ended December 31, 2002 Executive Summary of Results of Operations

Our revenues increased 7% in 2003 as growth in our managed IP VPN, hosting, other network services and digital content management have outpaced declines in services provided to Reuters and Telerate. Gross margin increased \$15.3 million or 21% over 2002 to \$89.3 million or 35% of revenue resulting from increases in our diversified customer revenue and unit price reductions in data communications costs. Net loss was \$94.0 million, a change from net income of \$13.9 million in 2002 primarily driven by a \$3.2 million increase in asset impairment and restructuring charges in 2003, an \$8.1 million loss on sale of the data center in 2003 and a decrease in gain on extinguishment of debt of \$97.9 million resulting from our recapitalization, which was recorded in 2002.

#### Revenues

YEAR ENDED DECEMBER 31,						
		DOLLAR	PERCENT			
2003	2002	CHANGE	CHANGE			
\$ 57,679	\$ 34,344	\$ 23,335	68%			
28,534	6,979	21,555	309%			
19,052	19,686	(634)	(3)%			
10,434	_	10,434	(100)%			
115,699	61,009	54,690	90%			
137,172	174,995	(37,823)	(22)%			
\$252,871	\$236,004	\$ 16,867	7%			
	\$ 57,679 28,534 19,052 10,434 115,699	2003 2002 \$ 57,679 \$ 34,344 28,534 6,979 19,052 19,686 10,434 — 115,699 61,009 137,172 174,995	2003         2002         DOLLAR CHANGE           \$ 57,679         \$ 34,344         \$ 23,335           28,534         6,979         21,555           19,052         19,686         (634)           10,434         —         10,434           115,699         61,009         54,690           137,172         174,995         (37,823)			

Revenue. Revenue was \$252.8 million for the year ended December 31, 2003, an increase of \$16.8 million or 7%, from \$236.0 million for the year ended December 31, 2002. Diversified managed IP VPN revenues increased \$23.3 million or 68% to \$57.7 million compared to \$34.3 million for 2002. Diversified hosting revenue increased \$21.6 million, or 309%, to \$28.5 million in 2003 from \$7.0 million in 2002. The increase in diversified hosting revenue is attributable to the completion of the Intel customer transition, which contributed approximately \$19.3 million for the year ended December 31, 2003. Other network services revenues decreased 3% to \$19.1 million in 2003, compared to \$19.7 million for 2002. The increase in 2003 digital content management revenues represents \$10.4 million of revenue for services billed from August 1, 2003 through December 31, 2003 to customers acquired from WAMINET.

Reuters and Telerate revenues were \$137.2 million in 2003, a decrease of \$35.4 million or 20% from \$172.5 million in 2002. The decline resulted from the termination of service locations by Reuters and Telerate resulting from customer losses and reduced pricing for certain services. Additionally, 2002 included \$2.5 million of realized deferred installation fees under the terminated Bridge contract.

Data Communications and Operations (exclusive of non-cash compensation, depreciation and amortization). Data communications and operations expenses were \$163.6 million for the year ended December 31, 2003, a decrease of \$1.5 million, from \$162.1 million in 2002. This decline is a result of data communications unit price reductions for long-haul capacity and Internet connectivity and reductions in connections with Reuters and Telerate partially offset by increases in connections for new diversified customers including Intel customers and customers acquired from WAM!NET. Additionally, per unit cost reductions in data communications were offset by newly incurred facilities and personnel costs associated with the Intel customer transition and increases in network operations and engineering personnel required to support the expanding diversified Managed IP VPN and hosting customers and newly acquired WAM!NET customers. Furthermore, gross margin was \$89.3 million for the year ended December 31, 2003, an increase of \$15.3 million, from \$73.9 million in 2002. As a percentage of revenue, gross margin increased to 35% in 2003 as compared to 31% in 2002.



Sales, General and Administrative (exclusive of non-cash compensation). Sales, general and administrative expenses were \$90.5 million for the year ended December 31, 2003, an increase of \$22.7 million, or 33%, from \$67.8 million for 2002. This increase is attributed to increases in personnel costs of \$9.1 million, commissions and other sales incentives of \$4.6 million, rent and other facilities costs of \$2.5 million and marketing, promotion and consulting expenses of \$3.2 million. The increase in personnel costs, commissions and sales incentives is related to growth in our diversified revenue base and the consolidation of our corporate headquarters personnel to our new facility outside of St. Louis, Missouri. The new headquarters facility was occupied in mid-2002, which is attributable to the increases in rent and other facilities costs.

Depreciation and Amortization. Depreciation and amortization expense was \$55.3 million for the year ended December 31, 2003, a decrease of \$5.3 million from \$60.6 million for 2002.

Asset Impairment, Restructuring Charges and Other. Asset impairment and restructuring charges totaled \$7.9 million for the year ended December 31, 2003, a \$3.2 million increase from the \$4.7 million recorded in 2002. In June 2003 we revised our estimated liability related to a previously vacated facility lease to encompass the remaining minimum lease payments throughout the full term of the lease which expires in March 2011, resulting in a restructuring charge of \$7.9 million. During 2002, concurrent with Yipes Communications, Inc.'s (Yipes) voluntary petition for reorganization under Chapter 11 of Title 11 of the United States Bankruptcy Code, we recorded a \$1.0 million impairment charge related to our investment in Yipes. Additionally in 2002 we recorded a \$3.7 million charge related to the write-down of unused equipment. In 2002 we adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," resulting in a \$2.8 million goodwill impairment charge which is reflected in the consolidated statement of operations as a cumulative effect of a change in accounting principle.

Loss on Sale of Data Center. Loss on sale of data center for the year ended December 31, 2003 of \$8.1 million relates to the sale of our Hazelwood, Missouri data center to Reuters for cash and other consideration whose fair market value was lower than the net book value of the assets and other costs incurred in conjunction with the transaction.

Non-Cash Equity-Based Compensation. Non-cash equity-based compensation expense was \$14.0 million for the year ended December 31, 2003, an increase of \$3.0 million from \$11.0 million in 2002. The increase is due to the vesting of 3.3 million performance warrants held by Constellation Ventures resulting in a \$3.4 million charge.

Net Interest Expense and Other. Interest income amounted to \$0.5 million for the year ended December 31, 2003 and \$0.7 million for 2002. Interest expense for the year ended December 31, 2003 amounted to \$8.4 million, a decrease of \$3.2 million from \$11.7 million in 2002. The decrease in interest expense is largely due to a financing and debt restructuring that occurred in March 2002 which eliminated approximately \$171.5 million in debt and a \$12.9 million principal payment to GECC in July 2003 from the proceeds of the sale of our Hazelwood, Missouri data center. The aggregate outstanding balance of our GECC lease liability at December 31, 2003 was \$56.6 million.

Net Income/(Loss). The net loss for the year ended December 31, 2003 was \$94.0 million, a \$108.0 million increase from the net income for the year ended December 31, 2002 of \$13.9 million. The increase in net loss is primarily related to a \$97.9 million gain on extinguishment of debt in 2002, a \$3.2 million increase in asset impairment and restructuring charges in 2003, an \$8.1 million loss on sale of data center in 2003, and a \$22.7 million increase in sales, general and administrative expenses in 2003. This increase in net loss was partially offset by a gross margin increase of \$15.3 million, a depreciation and amortization decrease of \$5.3 million, a net interest expense and other decrease of \$3.5 million, and a cumulative effect of change in accounting principle decrease of \$2.8 million.

## LIQUIDITY AND CAPITAL RESOURCES

#### Executive Summary of Liquidity and Capital Resources

At December 31, 2004 our cash balances were \$55.4 million. We had \$26.8 million in net cash used in operating activities during the twelve months ended December 31, 2004, an increase in net cash used in operating activities of \$26.5 million. Cash payments for non-recurring acquisition and integration-related costs necessary to realize synergies were \$38.6 million during the year. The significant events affecting our cash balance in the period were the acquisition of the CWA assets, the related financing, and subsequent integration costs. We issued \$200.0 million of Subordinated Notes in the first quarter of 2004 in connection

with the acquisition. Additionally, we transferred our rights to acquire certain data center property of CWA that provided cash of \$52.0 million, which was paid directly to CWA, resulting in lowering our purchase price of the CWA assets. The cash impact of the acquisition was cash payments of \$116.5 million, including working capital funding of \$13.5 million. Net increase in cash during the year ended December 31, 2004 was \$27.2 million as compared to a net decrease in cash of \$4.0 million for the year ended December 31, 2003.

Historically, we have not been cash flow positive. However, in 2005, we expect to fund our business needs through on-going operations. Management does not consider the first three quarters of 2004 to be representative of the expected future cash flows as significant acquisition and integration costs were paid during that time. Management's goal was to exit 2004 with a positive cash flow from operations. The achievement of this goal is reflected in the quarterly trend analysis below, showing fourth quarter cash flow from operations of \$8.3 million. The cash outflow for integration and costs to achieve synergies was \$38.6 million in 2004. We expect those cash costs to be less than \$10 million in 2005. However, due to the dynamic nature of our industry and unforeseen circumstances, if we are unable to fully fund cash requirements through operations, we will need to obtain additional financing through a combination of equity investments, debt financings, renegotiation of terms on our existing debt and sales of assets and services. If these additional financings were required there can be no assurance that we would be successful in completing any of these financings, or that if we were successful the terms of such financings would be favorable to us.

Below is a quarterly and annual overview of the key components of our cash flows. The trend indicated is consistent with management's expectation. We expected to use cash to acquire CWA and further to expend cash during the year as the two organizations were rationalized including the elimination of redundancies and the realization of efficiencies.

THREE	THREE	THREE	THREE	TWELVE	TWELVE
MONTHS	MONTHS	MONTHS	MONTHS	MONTHS	MONTHS
ENDED	ENDED	ENDED	ENDED	ENDED	ENDED
MARCH 31,	JUNE 30,	SEPTEMBER 30,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
2004	2004	2004	2004	2004	2003
\$ 2,484	\$(25,766)	\$(11,737)	\$ 8,262	\$ (26,757)	\$ (285)
(982)	(21,908)	(10,139)	(5,580)	(38,609)	_
(123,123)	(6,856)	(9,297)	(6,861)	(146,137)	13,058
200,586	(270)	(865)	16	199,467	(15 <b>,799</b> )
80,056	(32,930)	(21,901)	1,971	27,196	(3,986)
	MONTHS ENDED MARCH 31, 2004 \$ 2,484 (982) (123,123) 200,586	MONTHS MONTHS ENDED ENDED MARCH 31, JUNE 30, 2004 2004  \$ 2,484 \$(25,766)  (982) (21,908)  (123,123) (6,856)  200,586 (270)	MONTHS MONTHS MONTHS ENDED ENDED ENDED MARCH 31, JUNE 30, SEPTEMBER 30, 2004 2004  \$ 2,484 \$(25,766) \$(11,737)  (982) (21,908) (10,139)  (123,123) (6,856) (9,297)  200,586 (270) (865)	MONTHS         MONTHS         MONTHS         MONTHS           ENDED         ENDED         ENDED         ENDED           MARCH 31, 2004         JUNE 30, 2004         SEPTEMBER 30, DECEMBER 31, 2004         2004           \$ 2,484         \$(25,766)         \$(11,737)         \$ 8,262           (982)         (21,908)         (10,139)         (5,580)           (123,123)         (6,856)         (9,297)         (6,861)           200,586         (270)         (865)         16	MONTHS ENDED         ENDED

<sup>(1)</sup> Net cash used to pay acquisition and integration related costs is a component of net cash provided by / (used in) operating activities.

# Discussion of Changes in Liquidity and Capital Resources

Net cash used in operating activities was \$26.8 million for the year ended December 31, 2004, an increase from cash used of \$0.3 million in 2003. The \$26.8 million increased cash usage is primarily due to payments of \$38.6 million for acquisition and integration-related costs. Net cash provided by operations before considering acquisition and integration related payments was \$11.9 million for the year ended December 31, 2004.

Net cash used by investing activities for the year ended December 31, 2004, was \$146.1 million. This was comprised of the net cash used for the CWA acquisition of \$116.5 million, capital expenditures of \$31.3 million, and \$1.7 million in payments under the Wam!Net earn-out agreement. This was partially offset by \$3.3 million in proceeds from the sale of excess acquired assets. This is a change of \$159.2 million from the \$13.1 million cash provided by investing activities during the year ended December 31, 2003.



Net cash provided by financing activities was \$199.5 million for the year ended December 31, 2004, as compared to net cash used in financing activities of \$15.8 million in the year ended December 31, 2003. The cash provided in 2004 was due to our issuance of Subordinated Notes in the amount of \$200.0 million. We issued Subordinated Notes together with warrants to purchase Series B Preferred in exchange for \$200.0 million in cash. These warrants were subsequently exercised into 6.6 million shares of Series B Preferred, which were then converted into approximately 65.5 million shares of common stock. The Subordinated Notes were used to fund the CWA acquisition and to fund our on-going operational, working capital and capital expenditure requirements related to the CWA acquired assets or caused by the CWA acquisition. Net changes in restricted cash provided \$8.0 million, offset by payments under capital leases of \$10.1 million in 2004 compared to cash used of \$1.5 million for net changes in restricted cash offset by payments under capital leases of \$15.8 million in 2003.

#### **CWA Acquisition**

In January 2004, we signed a definitive agreement to purchase substantially all of the assets of CWA. CWA, wholly-owned by PLC, provided a range of network and hosting services, including Internet access to a Tier 1 network, colocation, hosting and other value-added services such as managed security and content distribution. The transaction was approved by the U.S. Bankruptcy Court and other regulatory agencies. The transaction closed on March 5, 2004 and therefore, the results of CWA are included in our results since the date of the acquisition.

The total purchase price for CWA consisted of \$155.0 million in cash, the assumption of certain liabilities and leases for certain data centers and other facilities, and the funding of CWA's working capital losses from January 28, 2004, through March 5, 2004, which totaled \$13.5 million. Additionally, at the closing of the CWA acquisition, we entered into an agreement to transfer our rights to acquire four of the CWA data centers and one office facility to Du Pont Fabros for \$52.0 million. These sums were paid directly to the CWA bankruptcy estate. We subsequently leased those facilities back from Du Pont Fabros for 15 years. As a result, the total cash cost of the CWA assets prior to the assumption of liabilities was \$116.5 million.

We paid approximately \$38.6 million in 2004 for costs related to the CWA acquisition. These cash costs include payments for direct transaction costs, vendor settlements, contract penalties, severance, and professional fees. The remaining acquisition and integration related costs are expected to be paid in the first half of 2005. The 2005 expected payments include approximately \$0.9 million in settlement of remaining exit liabilities related to employee terminations. Cash payments of \$5.4 million were paid during the year, directly related to the employee terminations.

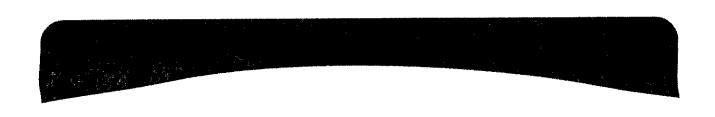
#### Subordinated Notes and Other Financing

In the first quarter of 2004, we issued \$200.0 million of Subordinated Notes. The proceeds were used to fund the CWA acquisition and to fund our ongoing operational, working capital and capital expenditure requirements related to the CWA acquired assets or caused by the CWA acquisition. The debt issuance costs associated with the Subordinated Notes were \$2.0 million. The Subordinated Notes contain an early redemption feature, a make whole premium, a change of control clause, and various other covenants. The Subordinated Notes accrue interest based on a 365-day year at a rate of 12.5% per annum until February 3, 2005, and 15% per annum thereafter, payable in kind semi-annually on June 30 and December 31. The maturity date for the notes is February 9, 2009 payable in a single installment with all applicable accrued interest.

We entered into a long-term lease with Du Pont Fabros during 2004. The agreement allowed for cash payments to commence in December 2004. The expected cash requirements related to these lease payments and associated interest costs during 2005 are \$10.0 million.

We amended the terms of our master lease agreement with GECC in August 2004. Under the amended terms, we pre-paid \$7.5 million during the third quarter of 2004. Under the amended terms, the interest rate was lowered from 12% to 9% for the period September 2004 through September 2005. We began cash interest payments in October 2004, which totaled approximately \$1.2 million for the remainder of 2004.

Our cash debt service obligation for our existing debt as of December 31, 2004, is \$15.3 million in 2005 and \$16.9 million in 2006.



#### General

In August 2000, we entered into a 20-year agreement with Kiel Center Partners, L.P. (KCP) pursuant to which we acquired the naming rights to a sports arena in St. Louis, Missouri. Total consideration for these rights amounted to approximately \$71.8 million, including 750,000 shares of our common stock issued to KCP, which had a fair value of \$5.8 million at issuance and \$66.0 million of cash payments to be made from 2002 through 2020. The related expense will be recognized over the term of the agreement. As of December 31, 2004, we had approximately \$1.6 million of remaining deferred charges resulting from the issuance of common stock and \$63.4 million of remaining cash payments under this agreement.

### **Obligations and Commitments**

At December 31, 2004, our undiscounted contractual obligations and commitments were as follows:

	PAYMENTS DUE BY PERIOD						
		LESS THAN	2-3	4–5	AFTER 5		
(in thousands)	TOTAL	1 YEAR	YEARS	YEARS	YEARS		
As of December 31, 2004							
Long-term debt <sup>®</sup>	\$ 391,512	\$ —	\$ —	\$391,512	\$ <del>-</del>		
Asset retirement obligation	50,861	_	_	_	50,861		
Operating leases and naming							
rights agreement	506,652	60,501	113,384	105,204	227,563		
GECC capital lease obligations <sup>22</sup>	67,306	5,301	62,005	_	_		
Du Pont Fabros capital							
lease obligations a	174,184	10,047	21,070	22,295	120,772		
Other capital lease obligations	686	510	176	_	_		
Unconditional purchase							
obligations	225,704	85,873	43,252	13,952	82,627		
Total contractual cash obligations	\$1,416,905	\$162,232	\$239,887	\$532,963	\$481,823		

- (1) Includes interest accrued of \$191.5 million over the remaining life of the long-term debt.
- (2) Includes interest payments of \$13.6 million over the remaining life of the obligation.
- (3) Includes interest payments of \$114.9 million over the remaining life of the obligation.

Our customer contracts generally span multiple periods, which result in us entering into arrangements with various suppliers of communications services that require us to maintain minimum spending levels, some of which increase over time, to secure favorable pricing terms. Our remaining aggregate minimum spending level allocated ratably over the contract terms are approximately \$73.5 million, \$25.6 million, \$1.6 million, and \$1.2 million in years 2005, 2006, 2007, and thereafter, respectively. Should we not meet the minimum spending level in any given year, decreasing termination liabilities representing a percentage of the remaining contracted amount may immediately become due and payable. Furthermore, certain of these termination liabilities are subject to reduction should we experience the loss of a major customer or suffer a loss of revenues from a downturn in general economic activity. Before considering the effects of any reductions for the business downturn provisions, if we were to terminate all of these agreements as of December 31, 2004, the maximum termination liability would amount to approximately \$61.9 million.

We have various operating leases for facilities and equipment. Equipment lease terms are approximately three years, and the facility leases range from three to twenty years. As of December 31, 2004, future minimum lease payments are approximately \$58.2 million in year 1, \$56.4 million in year 2, \$53.7 million in year 3, \$51.5 million in year 4, \$48.7 million in year 5, and \$174.7 million thereafter.

We entered into a long-term communications services contract during the first quarter of 2004, which provides power and maintenance for our IRUs until 2021. As of December 31, 2004, this unconditional purchase obligation relative to this long-term contract is approximately \$12.4 million in year one, \$16.0 million in years two and three, \$13.8 million in years four and five, and \$81.6 million thereafter. This contract was accepted from CWA. The total purchase commitment is \$123.8 million.



In September 2004, we entered into a Standby Letter of Credit Facility with Bank of America N.A. (Lender), pursuant to which the Lender has agreed to issue up to \$10.0 million of standby letters of credit for our account without collateralization. The facility expires September 30, 2005. This replaced a facility that required that any letter of credit issued by us be fully cash collateralized. As a result, the bank released its lien on the cash held as collateral for the letters of credit, and previously restricted cash was reclassified to unrestricted cash. The agreement includes a requirement to re-cash collateralize all outstanding amounts subject to certain minimum earnings and liquidity requirements, including having at least \$50.0 million of cash in the bank. The agreement includes a letter of credit fee of 2% per annum on total amount of letters of credit issued. We had \$9.0 million of letters of credit outstanding at December 31, 2004.

We are subject to various legal proceedings and other actions arising in the normal course of our business. While the results of such proceedings and actions cannot be predicted, management believes, based on facts known to management today, that the ultimate outcome of such proceedings and actions will not have a material adverse effect on our financial position, results or operations or cash flows.

# ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK FOREIGN CURRENCY EXCHANGE RATE RISK

Our primary market risk exposure relates to changes in foreign currency exchange rates. Changes in foreign exchange rates did not materially impact our results of operations. We expect these percentages to decrease in the periods ahead as our United States business base grows. In the future, we may engage in hedging transactions to mitigate foreign exchange risk.

	FOR THE YEAR ENDED DECEMBER 31,				
	2004	2003	2002		
Service revenue denominated in currencies					
other than the United States dollar	5%	6%	1%		
Direct and operating costs incurred in currencies					
other than the United States dollar"	12%	21%	19%		

<sup>(1)</sup> Excludes depreciation, amortization, accretion, non-cash equity-based compensation, restructuring charges, loss on sale of data center, asset impairment and other write-downs of assets, and integration costs.

We have performed a sensitivity analysis as of December 31, 2004, that measures the change in the fair values arising from a hypothetical 10% adverse movement in the exchange rates of the euro, the British pound, and the Japanese yen relative to the U.S. dollar with all variables held constant. The aggregated potential change in fair value resulting from a hypothetical 10% change in the above currencies at December 31, 2004 and December 31, 2003, was \$2.2 million and \$1.2 million, respectively. A gain or loss in fair value associated with these currencies would be recorded as a gain or loss on cumulative foreign currency translation adjustments in the consolidated balance sheets.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The 2004 consolidated financial statements and related notes thereto required by this item begin on page 58 as listed in Item 15 of Part IV of this document.

# ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We had no disagreements on accounting or financial disclosure matters with our independent certified public accountants to report under this Item 9.



# ITEM 9A. CONTROLS AND PROCEDURES EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in our periodic Securities and Exchange Commission filings.

# CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been no change in our internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended) during the quarter ended December 31, 2004, that materially affected or is reasonably likely to materially affect the internal controls.

# MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13-a-15(f) of the Securities Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of CWA with respect to certain billing system and circuit cost tracking systems and the related revenue, accounts receivable, costs and accounts payable. We acquired CWA in March 2004 and have not yet integrated these acquired systems into the processes for which internal controls were assessed. The Company did not have the practical ability to perform an assessment of these acquired systems at the time of its control assessment. As further discussed in the Management's Discussion and Analysis, CWA revenue and related accounts receivable included in our 2004 consolidated financial statements and excluded from our internal control assessment were approximately \$261 million and approximately \$28 million, respectively. The CWA circuit costs and associated accounts payable included in our 2004 consolidated financial statements and excluded from our internal control assessment were approximately \$59 million and approximately \$2 million, respectively.

Based on our evaluation under the framework in Internal Control—Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2004.

Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2004 has been audited by Ernst & Young, an independent registered public accounting firm, as stated in their report which is included herein on page 54.



# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

## THE BOARD OF DIRECTORS AND STOCKHOLDERS SAVVIS COMMUNICATIONS CORPORATION

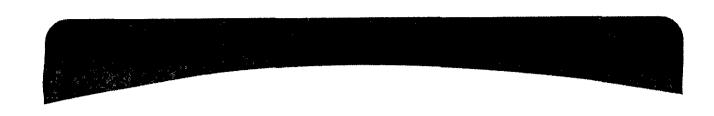
We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that SAVVIS Communications Corporation maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). SAVVIS Communications Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting and as permitted by the Securities and Exchange Commission, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Cable and Wireless with respect to certain billing and circuit cost tracking systems and the related revenue, accounts receivable, costs, and accounts payable, which are included in the 2004 consolidated financial statements of SAVVIS Communications Corporation and constituted \$261 million and \$28 million of revenue and accounts receivable, respectively and \$59 million and \$2 million of costs and accounts payable, respectively. Our audit of internal control over financial reporting of SAVVIS Communications Corporation also did not include an evaluation of the internal control over financial reporting of Cable and Wireless with respect to certain billing and circuit cost tracking systems and the related revenue, accounts receivable, costs, and accounts payable.



In our opinion, management's assessment that SAWIS Communications Corporation maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, SAWIS Communications Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of SAVVIS Communications Corporation and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of operations, stockholders' (deficit) equity, and cash flows for each of the two years in the period ended December 31, 2004, and our report dated March 1, 2005, expressed an unqualified opinion thereon.

Ernst + Young LLP

St. Louis, Missouri March 1, 2005

ITEM 9B. OTHER INFORMATION

No reportable information.



## ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Reference is made to the information set forth under the captions "Election of Directors" and "Compliance with Section 16 of the Securities Exchange Act" appearing in the Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

We have adopted a Code of Business Conduct and Ethics that applies to all directors and employees, including our principal executive, financial and accounting officers. The Code of Business Conduct and Ethics is posted on our website at www.savvis.net. We intend to satisfy the requirements under Item 10 of Form 8-K regarding disclosure of amendments to, or waivers from, provisions of our Code of Business Conduct and Ethics that apply, by posting such information on our website.

#### ITEM 11. EXECUTIVE COMPENSATION

Reference is made to the information set forth under the captions "Election of Directors—Director Compensation," "2004 Executive Compensation" and "Stockholder Return Performance Graph" appearing in the Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

# ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Reference is made to the information set forth under the caption "Ownership of Securities" appearing in the Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

#### **EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information as of December 31, 2004 with respect to shares of our common stock that may be issued under our existing equity compensation plans, including our 1999 stock option plan, our 2003 incentive compensation plan, our employee stock purchase plan and other arrangements with investors and distributors.

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<sup>(1)</sup> Consists entirely of shares of common stock underlying outstanding options granted under our 1999 stock option plan and our 2003 incentive compensation plan.

On June 28, 2002, we issued performance warrants to Constellation to purchase 10,000,000 shares in the aggregate of our common stock at \$0.75 per share. Constellation earned the right to exercise the warrants by meeting certain criteria related to aiding our company in acquiring new business. The warrants may be exercised in whole or in part at any time prior to January 28, 2007. As of December 31, 2004, all of the warrants had been earned, and 3,333,333 warrants had been exercised.

CONTRACTO OF

<sup>(2)</sup> Includes 6,098,424 shares of common stock available for issuance under our 1999 stock option plan, 6,000,000 shares of common stock available for issuance under our employee stock purchase plan which was approved by our stockholders in 2002, but which we have not yet implemented, and 14,804,571 shares of common stock available for issuance under our 2003 incentive compensation plan.

<sup>(3)</sup> Consists of 6,666,666 shares of common stock subject to warrants that we issued to Constellation. The warrants are currently exercisable.



# ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Reference is made to the information set forth under the caption "Certain Relationships and Related Transactions" appearing in the Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

# ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Reference is made to the information set forth under the caption "Principal Accounting Fees and Services" appearing in the Proxy Statement to be filed within 120 days after the end of our fiscal year, which information is incorporated herein by reference.

# part four

# ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as a part of this report:

1. FINANCIAL STATEMENTS	PAGE
Report of Independent Registered Public Accounting Firm—Ernst & Young LLP	72
Report of Independent Registered Public Accounting Firm—Deloitte & Touche LLP	73
Consolidated Balance Sheets as of December 31, 2004 and 2003	74
Consolidated Statements of Operations for the years ended December 31, 2004, 2003 and 2002	75
Consolidated Statements of Changes in Stockholders' (Deficit)/Equity	
for the years ended December 31, 2004, 2003 and 2002	76–78
Consolidated Statements of Cash Flows for the years ended December 31, 2004, 2003 and 2002	79
Notes to Consolidated Financial Statements	80

# 2. FINANCIAL STATEMENT SCHEDULES

Financial statement schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission either have been included in the financial statements, or notes thereto, are not required under the related instructions or are inapplicable and therefore have been omitted.

#### 3. EXHIBITS

The following exhibits are either provided with this Form 10-K or are incorporated herein by reference.

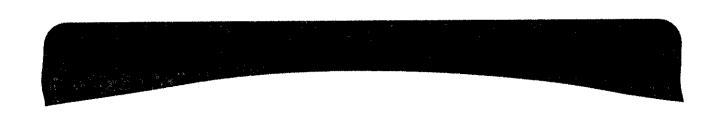
			INC	ENCE	
EXHIBIT		FILED		FILING	
INDEX		WITH THE		DATE WITH	EXHIBIT
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER
3.1	Amended and Restated Certificate of Incorporation				
	of the Registrant		S-1	November 12, 1999	3.1
3.2	Certificate of Amendment to Amended and Restated				
	Certificate of Incorporation of the Registrant		S-1/A	January 31, 2000	3.2
3.3	Certificate of Amendment to Amended and Restated				
	Certificate of Incorporation of the Registrant		10-Q	August 14, 2002	3.3
3.4	Certificate of Amendment to Amended and Restated				
	Certificate of Incorporation of the Registrant		10-Q	August 13, 2004	3.4
3.5	Amended and Restated Bylaws of the Registrant		10-Q	May 15, 2003	3.4
4.1	Form of Common Stock Certificate		S-1/A	January 31, 2000	4.1
4.2	Certificate of Designations relating to the Registrant's				
	Series A Convertible Preferred Stock		8-K	March 27, 2002	4.2
4.3	Amended and Restated Certificate of Designations				
	for Registrant's Series B Convertible Preferred Stock		10-Q	August 13, 2004	4.4
4.4	Warrant Agreement, dated as of March 15, 2002,				
	between the Registrant and Nortel Networks Inc.		10-Q	May 15, 2002	4.4
4.5	Warrant, dated March 18, 2002, to purchase the				
	Registrant's common stock issued to Nortel Networks Inc.		10-Q	May 15, 2002	4.6
4.6+	Warrant, dated June 28, 2002, to purchase the				
	Registrant's common stock issued to Constellation				
	Venture Capital II, L.P.		8-K	July 8, 2002	4.7
4.7+	Warrant, dated June 28, 2002, to purchase the				
	Registrant's common stock issued to Constellation				
	Venture Capital Offshore II, L.P.		8-K	July 8, 2002	4.8



			INC	ORPORATED BY REFER	ENCE
EXHIBIT		FILED		FILING	
INDEX		WITH THE		DATE WITH	EXHIBIT
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER
4.8+	Warrant, dated June 28, 2002, to purchase the Registrant's				
	common stock issued to The BSC Employee Fund IV, L.P.		8-K	July 8, 2002	4.9
4.9+	Warrant, dated, June 28, 2002, to purchase the Registrant's				
	common stock issued to CVC II Partners, L.L.C.		8-K	July 8, 2002	4.10
4.10	Form of Series A Subordinated Note		8-K	February 25, 2004	4.12
10.1	1999 Stock Option Plan, as amended		10-K	April 17, 2001	10.1
10.2	Amendment No. 1 to 1999 Stock Option Plan		10-Q	August 14, 2002	10.1
10.3	Amendment No. 2 to 1999 Stock Option Plan		10-Q	August 14, 2002	10.2
10.4	Amendment No. 3 to 1999 Stock Option Plan		10-Q	August 14, 2002	10.3
10.5	2003 Incentive Compensation Plan		10-Q	May 15, 2003	10.1
10.6	Amendment to 2003 Incentive Compensation Plan		10-Q	August 13, 2004	10.1
10.7	Employee Stock Purchase Plan		10-Q	August 14, 2002	10.4
10.8	Form of Incentive Stock Option Agreement under the				
	1999 Stock Option Plan		S-1/A	December 30, 1999	10.2
10.9	Form of Non-Qualified Stock Option Agreement under				
	the 1999 Stock Option Plan		10-K	February 28, 2003	10.7
10.10	Form of Non-Qualified Stock Option Agreement under				
	the 2003 Incentive Compensation Plan		10-Q	October 30, 2003	10.1
10.11	Employment Agreement, dated December 20, 1999,				
	between the Registrant and Jack M. Finlayson		S-1/A	January 18, 2000	10.8
10.12	Letter Agreement, dated September 30, 1999, between				
	the Registrant and James D. Mori		S-1/A	December 30, 1999	10.9
10.13	Employment Agreement, dated April 2, 2001, between				
	the Registrant and Robert A. McCormick		10-K	April 17, 2001	10.46
10.14	Letter Agreement, dated January 6, 2003, between the			•	
	Registrant and Grier C. Raclin		10-K	February 24, 2004	10.13
10.15	Letter Agreement, dated January 2, 2003, between the			-	
	Registrant and Jeffrey H. Von Deylen		10-K	February 24, 2004	10.14
10.16	Office Lease between WGP Associates, LLC SAVVIS			•	
	Communications Corporation, a Missouri				
	corporation ("SAVVIS")		10-K	March 30, 2000	10.27
10.17+	Arena Naming Rights Agreement, dated as of August 17,				
	2000, among the Registrant, Kiel Center Partners, L.P. and				
	Bridge Information Systems, Inc.		10-Q	November 11, 2000	10.9
10.18+	Agreement and First Amendment, dated June 19, 2002,			•	
	to Arena Naming Rights Agreement, dated as of				
	August 17, 2000, among the Registrant, Kiel Center				
	Partners, L.P. and SAVVIS		10-K	February 28, 2003	10.39
10.19+	Settlement Agreement relating to Advertising Inventory			•	
	under Naming Rights Agreement and Conditionally				
	Modifying Suite License Agreement, dated as of July 30,				
	2003, among the Registrant and Kiel Center Partners, L.P.		10-Q	October 30, 2003	10.6
10.20	Side Letter, dated May 16, 2001, between the Registrant				
. 3	and Reuters Holdings Switzerland SA.		8-K	June 4, 2001	10.4
				.,	



			INC	ENCE	
EXHIBIT		FILED		FILING	
INDEX	TAMBLE DECORPTION	WITH THE	me	DATE WITH	EXHIBIT
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER
10.21+	Network Services Agreement, dated as of September 28,	•			
	2001, by and between the Registrant and Reuters Limited		10-Q/A	November 29, 2001	10.4
10.22+	Amendment No. 1, dated March 1, 2002, to Network				
	Services Agreement, dated as of September 28, 2001,				
	by and between the Registrant and Reuters Limited		10-K	February 28, 2003	10.57
10.23+	Amendment No. 2, dated May 23, 2003, to Network				
	Services Agreement, dated as of September 28, 2001,				
	by and between the Registrant and Reuters Limited		10-Q	August 12, 2003	10.1
10.24+	Amendment No. 3, dated June 15, 2003, to Network				
	Services Agreement, dated as of September 28, 2001,				
	by and between the Registrant and Reuters Limited		10-Q	August 12, 2003	10.2
10.25+	Amendment No. 4, dated March 15, 2003, to Network				
	Services Agreement, dated as of September 28, 2001,				
	by and between the Registrant and Reuters Limited		10-Q	October 30, 2003	10.2
10.26+	Amendment No. 5, dated July 23, 2003, to Network				
	Services Agreement, dated as of September 28, 2001,				
	by and between the Registrant and Reuters Limited		10-Q	October 30, 2003	10.3
10.27+	Amendment No. 6, dated August 19, 2003, to Network				
	Services Agreement, dated as of September 28, 2001,				
	by and between the Registrant and Reuters Limited		10-Q	October 30, 2003	10.4
10.28+	Amendment No. 7, dated July 25, 2003, to Network				
	Services Agreement, dated as of September 28, 2001,				
	by and between the Registrant and Reuters Limited		10-Q	October 30, 2003	10.5
10.29+	Amendment No. 8, dated October 1, 2003, to Network			<del></del>	
	Services Agreement, dated as of September 28, 2001, by				
	and between the Registrant and Reuters Limited		10-K	February 24, 2004	10.28
10.30	Amendment No. 9, dated October 24, 2003, to Network				, 5.25
, 0.00	Services Agreement, dated as of September 28, 2001, by				
	and between the Registrant and Reuters Limited		10-K	February 24, 2004	10.29
10.31	Letter Agreement dated October 22, 2004, between the		10-10	1 ebidaly 24, 2004	10.27
10.51	Registrant and Reuters Limited				
10.32+	Transitional Services Agreement, dated as of				
10.32 +	September 28, 2001, by and between the Registrant				
	and Reuters Limited		10-⊖/∆	November 29, 2001	10.5
10.33			10-0/7	110vember 27, 2001	10.0
10.33	Colocation Agreement, dated as of September 28, 2001, by and between SAVVIS and Reuters America Inc.		10-Q/A	November 29, 2001	10.6
10.34			10-0/4	140veinbei 27, 2001	10.0
10.54	Securities Purchase Agreement, dated as of March 6,				
	2002, among the registrant, Welsh, Carson, Anderson &				
	Stowe VIII, L.P., and the various entities and individuals				
	affiliated with Welsh, Carson, Anderson & Stowe VIII, L.P.		n •	March 07, 0000	10.1
	listed on Annex I thereto		8-K	March 27, 2002	10.1



			INC	DRPORATED BY REFER	RENCE
EXHIBIT		FILED		FILING	
INDEX		WITH THE		DATE WITH	EXHIBIT
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER
10.35	Investor Rights Agreement, dated as of March 6, 2002,				
	among the registrant, Welsh, Carson, Anderson & Stowe				
	VIII, L.P., the various entities and individuals affiliated with				
	Welsh, Carson, Anderson & Stowe VIII, L.P. listed on the				
	signature pages thereto, Reuters Holdings Switzerland SA				
	and the other Investors (as defined therein)		8-K	March 27, 2002	10.2
10.36	Amendment No. 1, dated June 28, 2002, to the investor				
	Rights Agreement, dated as of March 6, 2002, among the				
	registrant, Welsh, Carson, Anderson & Stowe VIII, L.P., the				
	various entities and individuals affiliated with Welsh,				
	Carson, Anderson & Stowe VIII, L.P. listed on the signature				
	pages thereto, Reuters Holdings Switzerland SA and the				
	Other Investors (as defined therein)		8-K	March 27, 2002	10.2
10.37	Amended and Restated Master Lease Agreement, dated				
	as of March 8, 2002, by and among SAVVIS, other				
	signatories named therein and General Electric Capital				
	Corporation		10-Q	May 15, 2002	10.4
10.38	Amended and Restated Lease Agreement, dated as of				
	January 25, 2002, by and between General Electric				
	Capital Corporation and SAVVIS		10-Q	August 14, 2002	10.5
10.39	Amendment No.1 and Consent, dated May 28, 2002, to				
	the Amended and Restated Master Lease Agreement,				
	dated as of March 8, 2002, by and among SAVVIS, other				
	signatories named therein and General Electric Capital				
	Corporation		10-Q	August 14, 2002	10.8
10.40	Amendment No.2 and Consent, dated November 4, 2002,				
	to the Amended and Restated Master Lease Agreement,				
	dated as of March 8, 2002, by and among SAVVIS, other				
	signatories named therein and General Electric Capital				
	Corporation		10-K	February 28, 2003	10.67
10.41	Amendment No. 3, dated February 27, 2003, to the				
	Amended and Restated Master Lease Agreement, dated				
	as of March 8, 2002, by and among SAVVIS, other				
	signatories named therein and General Electric Capital				
	Corporation		10-Q	May 15, 2003	10.2
10.42	Amendment No. 4, dated April 30, 2003, to the				
	Amended and Restated Master Lease Agreement, dated				
	as of March 8, 2002, by and among SAVVIS, other				
	signatories named therein and General Electric Capital				
	Corporation		10-Q	May 15, 2003	10.3



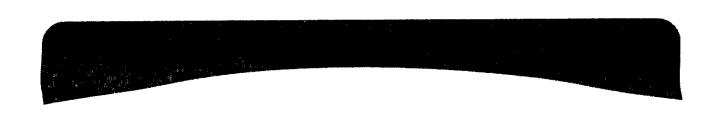
			INC	ENCE	
<b>EXHIBIT</b>		FILED		FILING	
INDEX		WITH THE		DATE WITH	EXHIBIT
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER
10.43	Amendment No. 6, dated as of March 5, 2004, to the				
	Amended and Restated Master Lease Agreement, dates				
	as of March 8, 2002, by and among SAVVIS, other				
	signatories named therein and General Electric Capital				
	Corporation		10-Q	November 15, 2004	10.1
10.44	Security Agreement, effective as of March 18, 2002,				
	between the Registrant and General Electric Capital				
	Corporation, as agent for itself and other lessors		10-Q	May 15, 2002	10.5
10.45	Security Agreement, effective as of March 18, 2002,				
	between SAVVIS and General Electric Capital Corporation,				
	as agent for itself and other lessors		10-Q	May 15, 2002	10.6
10.46	Security Agreement, effective as of March 18, 2002,				
	between SAVVIS Procurement Corporation and General				
	Electric Capital Corporation, as agent for itself and				
	other lessors		10-Q	May 15, 2002	10.8
10.47	Security Agreement, effective as of March 18, 2002,				
	between SAVVIS Communications International, Inc. and				
	General Electric Capital Corporation, as agent for itself				
	and other lessors		10-Q	May 15, 2002	10.9
10.48	Pledge Agreement, dated as of March 18, 2002, between				
	the Registrant and General Electric Capital Corporation,				
	as agent for itself and other lessors		10-Q	May 15, 2002	10.10
10.49	Pledge Agreement, dated as of March 18, 2002, between				
	SAVVIS and General Electric Capital Corporation, as				
	agent for itself and other lessors		10-Q	May 15, 2002	10.11
10.50	Trademark Security Agreement, dated as of March 18,				
	2002, between the Registrant and General Electric Capital				
	Corporation, as agent for itself and other lessors		10-Q	May 15, 2002	10.12
10.51	Trademark Security Agreement, dated as of March 18,				
	2002, between SAVVIS and General Electric Capital				
	Corporation, as agent for itself and other lessors		10-Q	May 15, 2002	10.13
10.52	Trademark Security Agreement, dated as of March 18,				
	2002, between SAVVIS Procurement Corporation and				
	General Electric Capital Corporation, as agent for itself				
	and other lessors		10-Q	May 15, 2002	10.15
10.53	Trademark Security Agreement, dated as of March 18,				
	2002, between SAVVIS Communications International, Inc.				
	and General Electric Capital Corporation, as agent for				
	itself and other lessors		10-Q	May 15, 2002	10.16
10.54	Patent Security Agreement, dated as of March 18, 2002,				
	between the Registrant and General Electric Capital				
	Corporation, as agent for itself and other lessors		10-Q	May 15, 2002	10.17



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EXHIBIT		FILED		FILING		
INDEX		WITH THE		DATE WITH	EXHIBIT	
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER	
10.55	Patent Security Agreement, dated as of March 18, 2002,					
	between SAVVIS Communications Corporation, a					
	Missouri corporation and General Electric Capital					
	Corporation, as agent for itself and other lessors		10-Q	May 15, 2002	10.18	
10.56	Patent Security Agreement, dated as of March 18, 2002,					
	between SAVVIS Procurement Corporation and General					
	Electric Capital Corporation, as agent for itself and					
	other lessors		10-Q	May 15, 2002	10.20	
10.57	Patent Security Agreement dated, as of March 18, 2002,					
	between SAVVIS Communications International, Inc. and					
	General Electric Capital Corporation, as agent for itself					
	and other lessors		10-Q	May 15, 2002	10.21	
10.58	Copyright Security Agreement, dated as of March 18,					
	2002, between the Registrant and General Electric					
	Capital Corporation, as agent for itself and other lessors		10-Q	May 15, 2002	10.22	
10.59	Copyright Security Agreement, dated as of March 18,					
	2002, between SAWIS and General Electric Capital					
	Corporation, as agent for itself and other lessors		10-Q	May 15, 2002	10.23	
10.60	Copyright Security Agreement, dated as of March 18,					
	2002, between SAVVIS Procurement Corporation and					
	General Electric Capital Corporation, as agent for itself					
	and other lessors		10-Q	May 15, 2002	10.25	
10.61	Copyright Security Agreement, dated as of March 18,					
	2002, between SAWIS Communications International,					
	Inc. and General Electric Capital Corporation, as agent					
	for itself and other lessors		10-Q	May 15, 2002	10.26	
10.62	Guaranty Agreement, effective as of March 18, 2002,					
	delivered by the Registrant to and in favor of General					
	Electric Capital Corporation, as agent for itself and					
	other lessors		10-Q	May 15, 2002	10.27	
10.63	Guaranty Agreement, effective as of March 18, 2002,					
	delivered by SAVVIS Procurement Corporation to and in					
	favor of General Electric Capital Corporation, as agent for					
	itself and other lessors		10-Q	May 15, 2002	10.29	
10.64	Guaranty Agreement, effective as of March 18, 2002,					
	delivered by SAVVIS Communications International, Inc.					
	to and in favor of General Electric Capital Corporation, as					
	agent for itself and other lessors		10-Q	May 15, 2002	10.30	
10.65	Securities Purchase Agreement, dated as of June 28, 2002,					
	among the registrant, Constellation Venture Capital II, L.P.,					
	Constellation Venture Capital Offshore II, L.P., The BSC					
	Employee Fund IV, L.P., and CVC II Partners, L.L.C.		8-K	July 8, 2002	10.1	



			INCORPORATED BY REFERENCE		
EXHIBIT INDEX		FILED WITH THE		FILING DATE WITH	EXHIBIT
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER
10.66	Joinder Agreement, dated June 28, 2002, between				
	registrant, Constellation Venture Capital II, L.P.,				
	Constellation Venture Capital Offshore II, L.P., The BSC				
	Employee Fund IV, L.P., and CVC II Partners, L.L.C.		8-K	July 8, 2002	10.3
10.67	Board Letter, dated June 28, 2002, to Constellation				
	Venture Capital II, L.P., Constellation Venture Capital				
	Offshore II, L.P., The BSC Employee Fund IV, L.P., and				
	CVC II Partners, L.L.C. from registrant, Welsh, Carson,				
	Anderson & Stowe VIII, L.P., Welsh, Carson, Anderson &				
	Stowe VII, L.P., Welsh, Carson, Anderson & Stowe VI, L.P.,				
	and WCAS Management Corporation		8-K	July 8, 2002	10.4
10.68	Amended and Restated Securities Purchase Agreement,				
	dated as of February 9, 2004, among the registrant,				
	Welsh, Carson, Anderson & Stowe VIII, L.P. and the				
	various entities and individuals affiliated with Welsh,				
	Carson, Anderson & Stowe VIII, L.P. listed on Annex 1				
	thereto, the Constellation Entities and the Oak Hill				
	Purchasers (as defined therein)		8-K	February 25, 2004	10.1
10.69	Amended and Restated Registration Rights Agreement,				
	dated as of February 6, 2004, among the registrant,				
	Welsh, Carson, Anderson & Stowe VIII, L.P., the various				
	entities and individuals affiliated with Welsh, Carson,				
	Anderson & Stowe VIII, L.P. listed on the signature pages				
	thereto, the Constellation Entities and the Oak Hill				
	Purchasers (as defined therein)		8-K	February 25, 2004	10.2
10.70	Lease Agreement, dated as of May 24, 2002, by and				
	between Duke Realty Limited Partnership and SAVVIS		10-Q	August 14, 2002	10.6
10.71	Missouri Leasehold Deed of Trust, Security Agreement				
	and Fixture Filing, dated June 12, 2002, among SAVVIS				
	and General Electric Capital Corporation		10-Q	August 14, 2002	10.7
10.72	Securities Purchase Agreement, dated as of September 18,				
	2002, among the registrant, Welsh, Carson, Anderson &				
	Stowe VIII, L.P. and the various entities and individuals				
	affiliated with Welsh, Carson, Anderson & Stowe VIII, L.P.				
	listed on Annex I thereto		8-K	September 19, 2002	10.1
10.73*	Master Services Agreement, dated October 1, 2002, by				
	and between Moneyline Telerate and Moneyline Telerate				
	International and SAVVIS		10-Q	November 12, 2002	10.1
10.74*	Settlement Agreement, dated March 31, 2004, by and				
	between Moneyline Telerate and Moneyline Telerate				
	International and SAVVIS		10-Q	May 17, 2004	10.2
10.75**	Lease Agreement, dated as of March 5, 2004, between				
	SAVVIS Asset Holdings, Inc. and Meerkat SC Office LLC		10-Q	November 15, 2004	10.2
10.76**	Lease Agreement, dated as of March 5, 2004, between				
	SAVVIS Asset Holdings, Inc. and Meerkat LA1 LLC		10-Q	November 15, 2004	10.3
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			INC	ORPORATED BY REFER	ENCE
EXHIBIT		FILED		FILING	
INDEX	EVILIBIT DESCRIPTION	WITH THE	50004	DATE WITH	EXHIBIT
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER
10.77**	Lease Agreement, dated as of March 5, 2004, between		10.0	Navambar 15, 2004	10.4
40.70	SAVVIS Asset Holdings, Inc. and Meerkat SC4 LLC		10-Q	November 15, 2004	10.4
10.78**	Lease Agreement, dated as of March 5, 2004, between		40.0	N 1 45 0004	10.5
40.70	SAVVIS Asset Holdings, Inc. and Meerkat SC5 LLC.		10-Q	November 15, 2004	10.5
10.79**	Lease Agreement, dated as of March 5, 2004, between		10.0	No	10.1
40.00**	SAVVIS Asset Holdings, Inc. and Meerkat SC8 LLC		10-Q	November 15, 2004	10.6
10.80**	Cost Sharing and IRU Agreement, dated as of May 25,				
	1999, between Level 3 Communications, LLC and Cable		40.0	Al	40.7
40.04	& Wireless USA, Inc.		10-Q	November 15, 2004	10.7
10.81**	First Amendment, dated as of August 11, 2000, to Cost				
	Sharing and IRU Agreement, dated as of May 25, 1999,				
	between Level 3 Communications, LLC and Cable &		10.0	Navarahar 15, 2004	10.0
40.00**	Wireless USA, Inc.		10 <b>-</b> Q	November 15, 2004	10.8
10.82**	Second Amendment, dated as of August 11, 2000, to				
	Cost Sharing and IRU Agreement, dated as of May 25,				
	1999, between Level 3 Communications, LLC and Cable		10.0	N 1 15 2004	10.0
40.00	& Wireless USA, Inc.		10-Q	November 15, 2004	10.9
10.83**	Third Amendment, dated as of November 22, 2000, to				
	Cost Sharing and IRU Agreement, dated as of May 25,				
	1999, between Level 3 Communications, LLC and Cable		40.0	N 1 15 2004	10.10
40.04	& Wireless USA, Inc.		10-Q	November 15, 2004	10.10
10.84**	Fourth Amendment, dated as of January, 2001, to Cost				
	Sharing and IRU Agreement, dated as of May 25, 1999,				
	between Level 3 Communications, LLC and Cable &		10.0	N	10.11
10.054	Wireless USA, Inc.		10-Q	November 15, 2004	10.11
10.85**	Fifth Amendment, dated as of February 15, 2001, to				
	Cost Sharing and IRU Agreement, dated as of May 25,				
	1999, between Level 3 Communications, LLC and Cable		40.0	Al	10.10
40.04	& Wireless USA, Inc.		10-Q	November 15, 2004	10.12
10.86**	Sixth Amendment, dated as of August 7, 2001, to Cost				
	Sharing and IRU Agreement, dated as of May 25, 1999,				
	between Level 3 Communications, LLC and Cable &		40.0	. 45 0004	40.40
	Wireless USA, Inc.		10-Q	November 15, 2004	10.13
10.87**	Seventh Amendment, dated as of March 6, 2002, to				
	Cost Sharing and IRU Agreement, dated as of May 25,				
	1999, between Level 3 Communications, LLC and Cable		10.0	N	10.14
40.00	& Wireless USA, Inc.		10-Q	November 15, 2004	10.14
10.88**	Eighth Amendment, dated as of March 23, 2002, to Cost				
	Sharing and IRU Agreement, dated as of May 25, 1999,				
	between Level 3 Communications, LLC and Cable &		10-Q	N	10.15
10.004	Wireless USA, Inc.		10-02	November 15, 2004	10.15
10.89''	Ninth Amendment, dated as of March 23, 2002, to Cost				
	Sharing and IRU Agreement, dated as of May 25, 1999,				
	between Level 3 Communications, LLC and Cable &		10.0	M	10.17
	Wireless USA, Inc.		10-Q	November 15, 2004	10.16
SAVVI	S COMMUNICATIONS 10-K				



			INC	ORPORATED BY REFER	ENCE
EXHIBIT		FILED		FILING	
INDEX		WITH THE		DATE WITH	EXHIBIT
NUMBER	EXHIBIT DESCRIPTION	FORM 10-K	FORM	THE SEC	NUMBER
10.90**	Tenth Amendment, dated as of August 27, 2003, to Cost				
	Sharing and IRU Agreement, dated as of May 25, 1999,				
	between Level 3 Communications, LLC and Cable &				
	Wireless USA, Inc.		10-Q	November 15, 2004	10.17
10. <del>9</del> 1**	Eleventh Amendment, dated as of March, 2004, to Cost				
	Sharing and IRU Agreement, dated as of May 25, 1999,				
	between Level 3 Communications, LLC and Cable &				
	Wireless USA, Inc.		10-Q	November 15, 2004	10.18
21.1	Subsidiaries of the Registrant	X			
23.1	Consent of Ernst & Young LLP	X			
23.2	Consent of Deloitte & Touche LLP	X			
31.1	Certification of Chief Executive Officer pursuant to				
	Section 302 of the Sarbanes-Oxley Act of 2002	×			
31.2	Certification of Chief Financial Officer pursuant to				
	Section 302 of the Sarbanes-Oxley Act of 2002	×			
32.1	Certification of Chief Executive Officer pursuant to				
	18 U.S.C. Section 1350, as adopted pursuant to				
	Section 906 of the Sarbanes-Oxley Act of 2002	X			
32.2	Certification of Chief Financial Officer pursuant to				
	18 U.S.C. Section 1350, as adopted pursuant to				
	Section 906 of the Sarbanes-Oxley Act of 2002	×			

<sup>+</sup> Confidential treatment has been granted for this exhibit. The copy filed as an exhibit omits the information subject to the request for confidential treatment.

<sup>++</sup> A request for confidential treatment has been submitted with respect to this exhibit. The copy filed as an exhibit omits the information subject to the request for confidential treatment.



# **SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 4, 2005.

# SAVVIS COMMUNICATIONS CORPORATION

By: /s/ Robert A. McCormick

Robert A. McCormick

Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant, in the capacities indicated below and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ ROBERT A. MCCORMICK Robert A. McCormick	Chairman of the Board and Chief Executive Officer (principal executive officer)	March 4, 2005
/s/ JEFFREY H. VON DEYLEN Jeffrey H. Von Deylen	Chief Financial Officer and Director (principal financial officer and principal accounting officer)	March 4, 2005
<u>/s/ JOHN M. FINLAYSON</u> John M. Finlayson	President, Chief Operating Officer and Director	March 4, 2005
/s/ JOHN D. CLARK John D. Clark	Director	March 4, 2005
/s/ CLIFFORD H. FRIEDMAN Clifford H. Friedman	Director	March 4, 2005
/s/ CLYDE A, HEINTZELMAN Clyde A. Heintzelman	Director	March 4, 2005
/s/ THOMAS E. MCINERNEY Thomas E. McInerney	Director	March 4, 2005
<u>/s/ JAMES E. OUSLEY</u> James E. Ousley	Director	March 4, 2005
/s/ JAMES P. PELLOW James P. Pellow	Director	March 4, 2005
/s/ PATRICK J. WELSH Patrick J. Welsh	Director	March 4, 2005



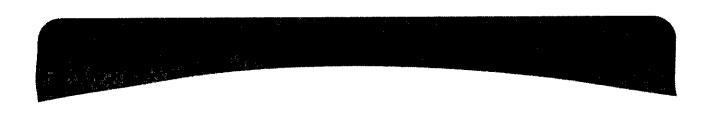
#### **EXHIBIT 31.1**

Certification of Chief Executive Officer
pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

- I, Robert A. McCormick, certify that:
- 1. I have reviewed this Annual Report on Form 10-K of SAVVIS Communications Corporation;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all
  material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2005

By: /s/ Robert A. McCormick Robert A. McCormick Chairman of the Board and Chief Executive Officer (principal executive officer)



### **EXHIBIT 31.2**

Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

- I, Jeffrey H. VonDeylen, certify that:
- 1. I have reviewed this Annual Report on Form 10-K of SAVVIS Communications Corporation;
- Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all
  material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2005

By: /s/ Jeffrey H. VonDeylen Jeffrey H. VonDeylen Chief Financial Officer (principal financial officer and principal accounting officer)



# **EXHIBIT 32.1**

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the Chief Executive Officer of SAVVIS Communications Corporation (the "Company"), hereby certifies that, to his knowledge on the date hereof:

- (a) the Annual Report on Form 10-K for the annual period ended December 31, 2004, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934: and
- (b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 4, 2005

By: /s/ Robert A. McCormick
Robert A. McCormick
Chairman of the Board
and Chief Executive Officer

# **EXHIBIT 32.2**

Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to to Section 906 of the Sarbanes-Oxley Act of 2002

The undersigned, the Chief Financial Officer of SAVVIS Communications Corporation (the "Company"), hereby certifies that, to his knowledge on the date hereof:

- (a) the Annual Report on Form 10-K for the annual period ended December 31, 2004, filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934: and
- (b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 4, 2005

By: /s/ Jeffrey H. VonDeylen
Jeffrey H. VonDeylen
Chief Financial Officer